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INNISFAIL, RED DEER, EDMONTON, TABER, BROOKS, AIRDRIE, DRAYTON VALLEY, CAMROSE, RED DEER, RED DEER, COCHRANE, EDSON, PONOKA, LEDUC, SYLVAN LAKE, WHITECOURT, DEVON, PINCHER CREEK, MILLET

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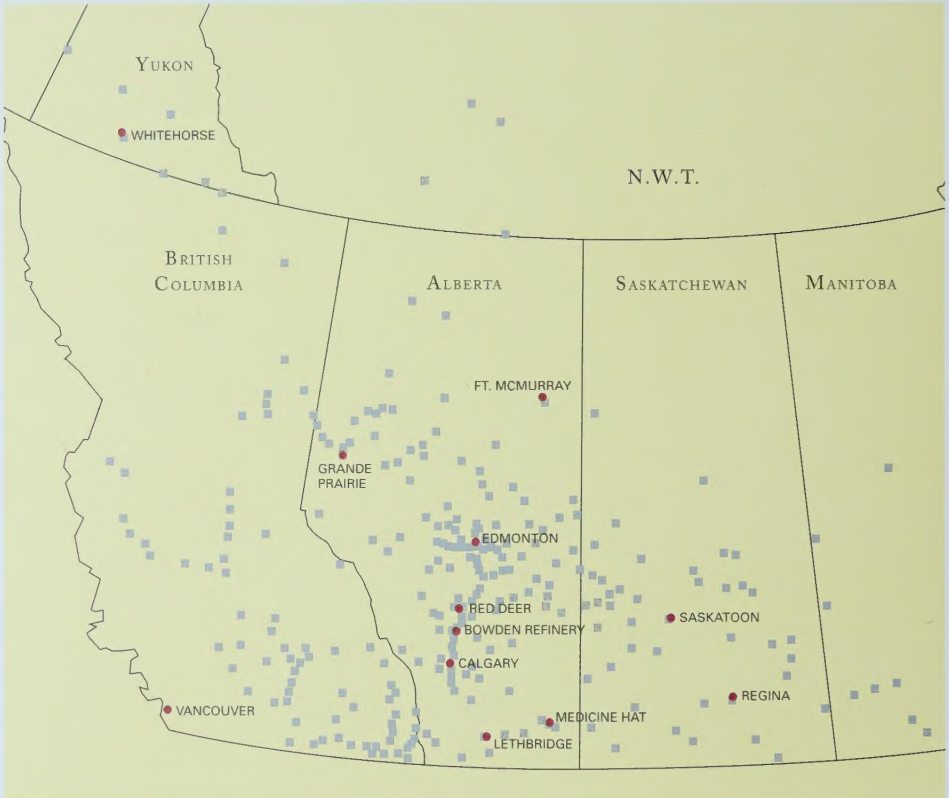
PARKLAND INDUSTRIES LTD. 2000 ANNUAL REPORT

This Annual Report includes forward-looking statements regarding Parkland Industries' operations, anticipated financial performance, business prospects and strategies. Forward-looking information may involve words such as "believe", "expect", "anticipate", or similar words implying future outcomes. Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts and other forms of forward-looking information will not be achieved by Parkland Industries. Parkland Industries is under no obligation to update publicly or otherwise revise any forward-looking information.

Parkland's Marketing Region



On the cover

Broadening our horizons was the operating focus for Parkland during fiscal 2000. As part of a five-year plan, Parkland plans to open 100 state-of-the-art Short Stop convenience stores by 2004. The timeline on the cover shows a sampling of locations across Western Canada.

VISION STATEMENT

Parkland Industries Ltd. is a team of dedicated employees who are confident in their skills and enjoy working to exceed customers' needs. We will continue to grow in the petroleum and convenience store business, while focusing on profitability under the guidance of an effective Management Team.

Parkland Industries Ltd. is Western Canada's largest independent marketer of transportation fuels. Across Western Canada, the Yukon and the Northwest Territories, Parkland has developed a strong market niche by concentrating its gasoline outlets in smaller cities and rural areas where retail prices tend to be more stable, real estate is less expensive and operating costs are more manageable than in urban centres.

As part of the Company's aggressive marketing strategy, Parkland recently completed a rebranding of its gasoline outlets. The Company owns, operates or supplies approximately 206 retail gasoline stations under the Fas Gas brand, and an additional 208 branded wholesale accounts under the Race Trac name. The Company also owns and operates a refinery at Bowden, Alberta which produces sulphur-free gasoline that is one of the cleanest-burning gasolines in Canada.

In 2000 Parkland made significant progress launching its new, aggressive marketing strategy. The Company launched a chain of state-of-the-art convenience stores, Short Stop Food Stores, at select gasoline stations. By 2004, 100 Short Stop stores with a strong and recognizable identity will be developed in order to increase margins and attract a wider consumer demographic.

Parkland is listed on the Toronto Stock Exchange under the trading symbol PKI.

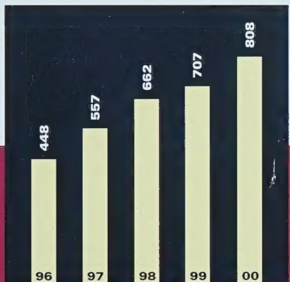
Financial and Operating Highlights

Consolidated Financial Highlights

($ thousands, except per share amounts)	2000	1999	1998	1997	1996
Sales volumes (000s litres)	807,700	707,000	662,000	557,000	447,500
Sales revenue	378,184	264,156	255,374	233,280	188,036
Gross margin	48,906	54,286	45,064	35,540	33,232
Cash flow from operations	8,887	15,997	9,772	4,261	4,939
Per share ($) – basic	1.63	2.94	1.79	0.78	0.89
Per share ($) – fully diluted	1.53	2.76	1.73	0.76	0.82
Net earnings from operations	1,869	9,352	3,280	(483)	1,678
Per share ($) – basic	0.35	1.72	0.60	(0.09)	0.30
Per share ($) – fully diluted	0.34	1.62	0.59	(0.09)	0.30

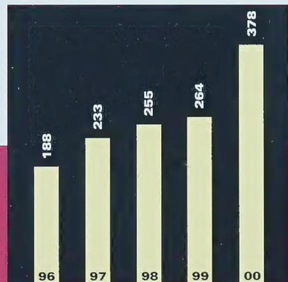
sales volume continues to grow, increasing 14 percent in the last year and sales revenue increased 43 percent

a major competitive advantage is a strong focus on niche markets



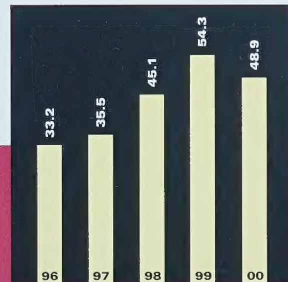
Sales Volumes
(MILLIONS OF LITRES)

Sales volumes continued to grow in 2000, showing a 14 percent increase.



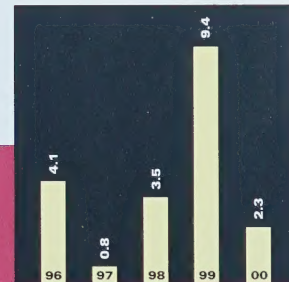
Net Sales
($ MILLIONS)

Parkland's 43 percent increase in net sales reflects higher gasoline prices at the pump.



Gross Margin
($ MILLIONS)

Gross margin was down 1.9 cents per litre in 2000 as gasoline prices at the pump rose at a slower pace than crude oil.



Net Earnings
($ MILLIONS)

Strong volume growth only partially offset crude oil price increases, resulting in a decrease in net earnings of $7.1 million in 2000.

PRESIDENT'S MESSAGE

BROADENING OUR HORIZONS was the operating focus for Parkland during fiscal 2000. The Company had record sales volumes, yet margins were down significantly due to volatile pricing for Parkland's two feedstock sources for gasoline – crude oil and condensate. We have come to recognize this volatility as an unavoidable condition of business in the retail gasoline industry. However, we have taken the first steps in a long-term project that will reduce this volatility – the startup of our first 18 Short Stop Food Stores. All have been developed from existing Fas Gas service stations and all still handle Fas Gas fuel. During the year, the Company focused much of its budget and efforts on this project. We made substantial progress developing our marketing plan and launching our store building program during the year.

In this report I will be discussing the rationale for our C-Store strategy as well as describing the other key factors affecting our performance in fiscal 2000.

customer service is emphasized at all levels

How would you describe your performance over the past year?

Fiscal 2000 was certainly a more difficult year than 1999, principally due to rapidly rising and fluctuating crude oil prices – which had a major impact on the price of our main product, gasoline. We saw the same volatility with condensate prices, which is the feedstock for about 30 percent of our gasoline. For a good portion of the year, it was difficult to pass those increased costs on to the customer at the gas pump for competitive reasons.

We did make excellent progress in introducing our Short Stop convenience store chain. We currently operate seven new state-of-the-art stores, and another four are under construction. An additional seven outlets have been brought into Company operation and most of these will receive new buildings next year. We expect this new initiative to be profitable when about 30 stores are in operation, which should be achieved by the end of fiscal 2001.

What is the strategy behind the Short Stop Food Store chain?

Last year we introduced a five-year program to develop a chain of modern convenience stores. Short Stop Food Stores are currently being constructed at select Fas Gas locations and we are targeting 100 stores by 2004, some of which will be new locations for the Company.

Essentially, we are entering a new business that will generate stronger merchandise sales and profit margins substantially better and more stable than we have enjoyed with gasoline alone. Today, merchandise sales represent only a small percentage of total sales from our Fas Gas outlets, with profits from non-fuel sales flowing to the station commission operator. We are operating our Short Stop stores with Company employees which should contribute increased sales and in-store gross margins targeted at 34 to 38 percent.

Will the introduction of Short Stop stores adversely affect the market niche that has served you so well over the years?

An important aspect of Short Stop stores is the appeal to a much wider demographic audience. We will be moving from primarily motor fuels to attracting a broader segment of the population – career women, the active over-50, and two-income families. For example, a dual-income family often has children who need to be driven to baseball practice and other activities, which requires gasoline on a regular basis. This segment is likely to stop for a soft drink or snack. We are now positioned to capture a larger share of gasoline and merchandise sales to a much wider demographic group.

Will Short Stop be competing with local businesses?

Our convenience stores will actually fill a void in some areas. The rural, independent general stores are largely a thing of the past; they are no longer economically feasible. Rural areas may be served by larger grocery stores, but the hours of operation are often limited. With most of our Short Stop stores open 24 hours, we will provide a valuable alternative in many smaller communities. However, we know that in some areas it will be a competing business.

Are there other benefits?

Parkland has a portfolio of real estate of about 108 service station locations across Western and Northern Canada which have been purchased over the past 20 years. By adding attractive, state-of-the-art convenience stores, we are enhancing the commercial viability of our prime locations and increasing the value of the real estate we hold. I should mention that as we build our new stores, we are installing new fibreglass gasoline tanks, double-walled lines and completing other minor remediation as required. We have always been at the forefront of environmental safety and we are continuing our proactive role. The new equipment further enhances the value of our sites and, when coupled with our extensive monitoring program, is stronger assurance of environmental safety over the long term.

When will you see profitability from the Short Stop program?

The magic number is about 30 stores. We hope to reach that target by the end of fiscal 2001 and we expect to begin generating profits from the store chain at that time.

After the initial two years of program development we expect to see enhanced gross margin contribution, increasing by the fifth year to a level comparable to those provided by gasoline sales.

With such strong margin growth potential, why not accelerate the Short Stop program?

One of the fastest ways to reduce long-term profitability is to spend too much on capital improvements. To avoid paying inflated prices for contractors, we have to consider the availability of skilled trades to build the number and quality of stores we require.

A second factor is that customer service is critical to building our business. We have to be careful to select and train staff, whether a clerk or a store manager, who are cheerful, reliable and service-oriented. We are bringing people into our system and training them in order to establish a high customer service level.

A third factor, and one people don't often consider, is that it takes about 90 days to construct, equip and stock a new store – and we sometimes have to restrict or shut down the service station during this period. We work hard to keep a corner of the lot open to serve our gasoline customers, but our volumes can be reduced substantially. Once the store is open, it takes another few months to rebuild our customer base. We have been successful in getting stores up and running in record time, but we expect to see about six months of operating losses at each location. We are not prepared to have 50 stores operating at a loss for half a year, which would compound into a large negative impact. Our Short Stop program is long-term and we are committed to manageable growth that will provide value to our shareholders long term.

Last year you announced the intent to sell the Bowden refinery to the First Nations Blood Tribe. What has transpired?

In December 1998, we signed a Letter of Intent with the Blood Tribe of Standoff, Alberta for the sale of the Bowden refinery. The agreement provides for a sale price of $50 million with an initial payment of $7 million and the balance of $43 million paid over 13 years. It also provides for a management agreement with a performance-based bonus as well as a competitively priced, exclusive product marketing agreement.

For Parkland the sale will monetize a significant asset and provide an income stream from the deferred payments and, potentially, from the bonus plan. It will eliminate the exposure to condensate pricing volatility and maintain the source of quality refined products. The Tribe will enjoy the economic benefits arising from a significant commercial enterprise operating in an enhanced taxation position.

For the sale to move forward, the federal government must create a reserve on the land underlying the refinery and the Blood Tribe must obtain confirmation from a competent authority of its taxation position. Although significant progress has been made in recent months, it is a slow process and it is difficult to pinpoint time frames for the necessary approvals.

What accounted for the growth in your Race Trac brand?

Race Trac had record volume sales resulting from major expansion to bring our dealer total to 208 locations across Western Canada. We added 48 service station dealers in November 1999 through the acquisition of Binks Petroleum and a further 18 in June 2000 when we acquired Petrowest Corporation. Rebranding of several small brands into our Race Trac colors and signage was a major initiative during the year and, over the summer, we will have successfully re-branded the entire network under the Race Trac name. Our focus this year will be to capitalize on the improved recognition with the aim of boosting sales. A focus for margin growth will be to demonstrate the value of the Race Trac brand to independent gasoline marketers.

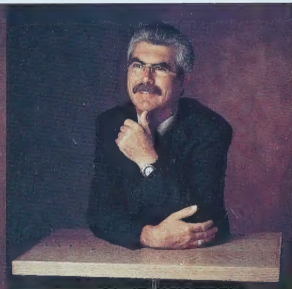
What do you see on the horizon for Parkland?

We have positioned the Company with a longer-term strategy to reduce our exposure to the spread between crude oil and retail gasoline pricing. We have made a long-term commitment to grow our Short Stop business, with a blend of contemporary offerings that will appeal to a broader base of motorists. In fact, we want to be the convenience store of choice in terms of modern stores staffed by friendly people, plus a good gasoline offering at the pump. If our initial experience continues, we will be selling even more motor fuels through our combined Fas Gas / Short Stop outlets than when they were only fuel outlets. Essentially, we are taking service stations that have been in our chain for 15 to 20 years, adding convenience stores that will enhance our image in the community, see our dollar sales increase and, above all, provide a gross profit yield that is substantially better than what we've enjoyed with only gasoline.

Just as importantly, our team of skilled and dedicated people will continue to be the driving force behind our success. We have 350 employees – 200 full time and 150 part-time staff, along with a Board of Directors that provides invaluable guidance and support. We added a significant number of employees in 2000 and I would personally like to welcome them to the Parkland team. As a Company, we look forward to continued growth and success in the future.

Jack C. Donald
President and Chief Executive Officer
September 5, 2000

JACK C. DONALD
PRESIDENT AND
CHIEF EXECUTIVE OFFICER
PARKLAND INDUSTRIES LTD.



DON HEISLER
GENERAL MANAGER
PETROHAUL LTD.

D. JIM JONES
VICE PRESIDENT, MARKETING
FAS GAS OIL LTD.

ROBERT LEFLAR
GENERAL MANAGER, REFINING AND SUPPLY
PARKLAND REFINING LTD.

TIM RHODES
GENERAL MANAGER
SHORT STOP FOOD STORES INC.

JOHN SCHROEDER
VICE PRESIDENT, FINANCE
PARKLAND INDUSTRIES LTD.

BRADLEY WILLIAMS
GENERAL MANAGER
RACE TRAC FUELS LTD.

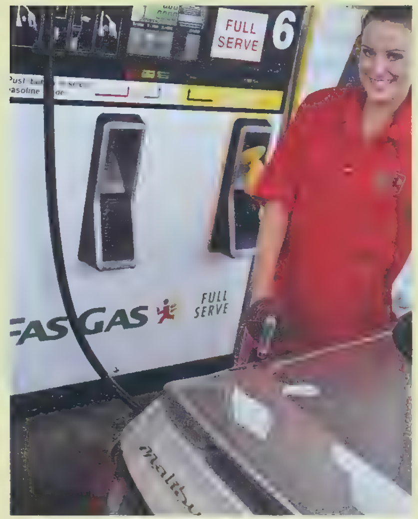
FAS GAS OIL LTD.

Fas Gas is Parkland's retail gasoline chain with 206 service stations across Western and Northern Canada, including two Round-the-Clock brand locations. All the Fas Gas stations are currently run by independent commissioned operators who own and sell all instore merchandise. Under the Company's five-year plan, at least 100 Fas Gas outlets will be enhanced with new state-of-the-art Short Stop Food Stores operated by Company employees by 2004.

At the same time, Fas Gas stations will be offering more choices to gasoline customers. During conversion to Short Stop locations, gasoline pumps are being installed with self-serve technology which accepts credit and debit cards at the pump. Fas Gas will also offer the "ultimate" in self-serve marketing convenience using transponder technology. Regular customers will be offered a key fob or vehicle mounted unit that electronically communicates with the pump and immediately authorizes payment. These self-serve options will continue to be complemented by full-service offerings at most Short Stop locations.

Fas Gas has a long-standing reputation for excellent full service. In 1999, the Canadian Retail Petroleum Awards recognized Fas Gas for its outstanding customer service, and the Company continues to provide support and training to operators and their employees throughout the network. A new Fas Gas logo and signage are being rolled out to all locations this fall, and there will be continued commitment to in-house training to increase the uniformity of customer service throughout the chain.

Other aggressive marketing techniques continue to build the Fas Gas customer base. The Litre Log customer loyalty program has been highly successful offering a cash discount for multiple fills. Fas Gas continues to pursue expansion of outlets in select locations and is well positioned to capture increased market share and profitability.



Short Stop Food Stores Inc.

Managing For Profit ... not just growth

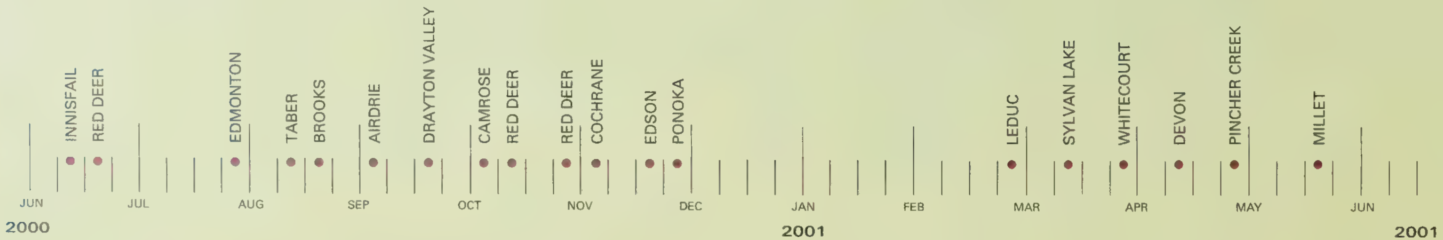
Fiscal 2000 saw the launch of Short Stop Food Stores and by December 2000, 19 outlets will be fully operational. In the next four years, Parkland plans to have 100 Short Stop convenience stores at locations across Western Canada, with most operating on a 24-hour basis. These state-of-the-art stores will offer a blend of high quality, high margin products to appeal to a broader customer base. Today, everyone is in a hurry ... and we want to be the one stop they make.

Short Stop stores will generate substantially higher margins than traditional Fas Gas service stations. Profit margins on merchandise are expected to grow to 28 to 30 percent this year, and then rise to 34 to 38 percent in fiscal 2002. At Short Stop stores currently in operation, merchandise sales have climbed and gasoline sales have also increased, in some cases above volumes at the same location prior to conversion.

To ensure the success of Short Stop, Parkland has researched and refined a store design template that is modern, recognizable and well accepted in the marketplace. Conversions take about three months and, in almost all cases, temporary pumps and kiosk space are provided to ensure continuous service to our customers.

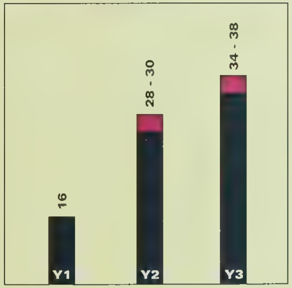
Significant progress has been made in building alliances with suppliers to grow margins and build the appropriate product mix. Short Stop's focus has been to develop relationships with suppliers who "think like partners" in growing the business.

With the advent of Short Stop stores, we will maintain our niche focus on good towns and smaller cities across Western Canada. Within these markets, Short Stop's product offering will reduce the impact of the Company's exposure to the volatility of gasoline margins. At the same time, Parkland will benefit from a broader customer base and higher margin merchandise sales.



Scheduled Short Stop Openings

In 1999, Parkland introduced a five year program to develop a chain of modern convenience stores. This timeline shows a sampling of Short Stop Food Stores currently operating and others to be constructed at locations across Western Canada. By 2004, the Company expects to have 100 stores, with most operating 24 hours a day.



Merchandise Gross Profit Margin
(%)

Within three years, Short Stop Food Stores expects to substantially grow margins from the current 16 per cent to as high as 38 percent.

Race Trac Fuels Ltd.

Race Trac is our wholesale operation supplying 208 independent service stations across Western and Northern Canada. In fiscal 2000, Race Trac added 66 new dealer stations to the network through two acquisitions. During the past two years, the entire wholesale network has been rebranded under the Race Trac Gas logo. The result has been a substantial volume increase and a stronger presence across Western Canada.

Consolidation of the Race Trac customer base is continuing. An aggressive marketing and sales team is focused on improving profits and programs at Race Trac stations, including value-added programs for the independent operator. The marketing program includes promotions, proprietary fleet cards and support to station operators. The emphasis is on increasing our competitive position in the wholesale marketplace, while accessing motor fuel profits that are less dependent on retail pump prices.

Race Trac will continue to focus primarily on communities where competition and costs are lower. Race Trac will build brand loyalty through its strong logo identification, the long-term contracts to supply motor fuels under the Race Trac Gas brand and strong relationships with operators who live and work in their communities.

Petrohaul Ltd.

Parkland's transportation operation, Petrohaul Ltd., ensures the timely and efficient delivery of motor fuels and propane throughout the Parkland network. The fleet also provides hauling services to other marketers and delivers premium quality condensate to the Bowden refinery on a back-haul basis.

Petrohaul has 38 tractor-trailer units to service its marketing network. The fleet uses a global positioning system (GPS) to streamline dispatching, routing and other administrative duties. In order to efficiently serve its marketing area, the Company has tractor-trailer units located at four satellite locations in Western Canada.

Parkland Refining Ltd.

Parkland's Bowden refinery processes natural gas condensate into a product slate dominated 85 percent by gasoline. Current throughput is 4,800 barrels per day. The Company has announced its intent to sell the refinery to the Blood Tribe of Standoff, Alberta. Partial approval has been obtained from the federal government provided a number of conditions are satisfied. In the intervening time, engineering plans have been prepared to increase throughput to the 6,500 barrels per day range after the sale is completed.

The refinery produces Canada's most environmentally friendly gasoline. The product is sulphur-free, while the olefin content is about 10 times lower than Parkland's competition. Olefins are a chemical component of crude oil-based gasoline and are generally considered to promote undesirable tailpipe emissions. In 1999, the Company upgraded processing equipment to reduce benzene content to meet new government regulations.

The next regulatory mandate facing the industry is the reduction of sulphur levels in gasoline. By 2005 all gasoline in Canada must meet a sulphur content significantly lower than the standard today. Gasoline produced at the Bowden refinery has no measurable sulphur content and the Company will not need to invest in further processes to meet the new requirements. These factors combine to yield environmentally superior gasoline.

Management's Discussion and Analysis

The following discussion and analysis of Parkland's results of operations and financial conditions should be read in conjunction with the Financial Statements reported on pages 19 to 29 of this report. Certain prior years' amounts have been restated to reflect the retroactive change in accounting for future income taxes as explained in note 14 to the financial statements. Dollar amounts in the tables are presented in thousands, except per share data.

Results of Operations

Parkland's Business

Parkland is Western Canada's largest independent marketer of transportation fuels by volume. At year end, Parkland operated and supplied a total of 414 stations compared with 357 at the end of the previous year. Of this fiscal 2000 total, 206 were retail stations under the Fas Gas brand (199 outlets – fiscal 1999). The remaining 208 outlets are independently-owned wholesale supply accounts operated under the Race Trac brand. Products sold through the Company's network of service stations include gasolines, diesel and propane. Thirty percent of these refined products are sourced from Parkland's refinery at Bowden, Alberta and 70 percent under long-term contracts with other refiners.

In fiscal 1999, the Company announced the development of a chain of modern convenience stores, Short Stop Food Stores, to be located at select locations across Western Canada. At September 5, 2000, Parkland operated 18 Short Stop stores and gas bars, of which four had new buildings under construction. Parkland's capital program during fiscal 2001 will be focused on developing additional stores at existing Fas Gas retail sites.

The Parkland refinery processes natural gas condensate into a product slate dominated by gasoline. Refinery throughput was approximately 4,800 barrels per day in fiscal 2000. The Company also operates Petrohaul Ltd., which transports motor fuels throughout the marketing network.

Parkland owns 108 of the sites utilized in the Fas Gas retail chain, an industrial property in Red Deer used as a trucking base and maintenance facility, and a fuel terminal facility in Whitehorse. With the corporate acquisitions that Parkland has completed in recent years it has inventoried several non-core real estate properties which it is currently targeting to sell.

Competition & Market Positioning

The wholesale and retail gasoline business is highly competitive, with margins ultimately dependent on the spread between crude oil and retail prices for gasoline. In larger cities, the market is dominated by major oil companies and, more recently, additional competition from big-box retailers and major grocery chains.

Due to its unique market niche, Parkland has limited exposure to the more competitive geographic areas. The Company has 26 outlets in major cities, including Calgary, Edmonton, Saskatoon and Regina. The main focus is to own, operate or supply outlets in rural areas, towns and smaller cities in Western Canada. This niche allows the Company to take advantage of lower capital costs and reduced competitive pressure. The concentration in rural areas and smaller communities also provides substantial market share within a focused customer base. Parkland also maintains outlets in satellite communities near large cities which provides access to the commuter customer base, while taking advantage of our lower cost structure.

Convenience Store Plan

In fiscal 1999, Parkland introduced a five-year plan which calls for 100 state-of-the-art convenience stores to be constructed at select locations across Western Canada by 2004. This strategy is aimed at:

a) Broadening Parkland's customer base by targeting a wider demographic with disposable income to spend on convenience products;

b) Increasing margins on in-store sales to the 34 to 38 percent range from the current 16 percent by focusing merchandise sales on higher margin prepared foods, drinks and snacks;

c) Potentially increasing gasoline sales by targeting a wider customer base;

d) Increasing the profitability of sites and improving the stability of gross margins;

e) Allowing many Company-owned existing gas bar sites to be upgraded or rebuilt into modern C-Stores to better utilize the site.

In conjunction with construction of new Short Stop outlets, Parkland is installing leading technology to broaden its base of gasoline customers and reduce costs. In addition to high quality full service, customers can select from two self-service options: payment at the pump with credit card and transponder technology. Customers with a small electronic unit, the size of a key fob, will be able to begin payment authorization as they drive up to the pump.

In combination with these efforts, Parkland's aggressive sales and marketing teams continually evaluate geographic growth to ensure the Company continues to be highly competitive in building its customer base across the West.

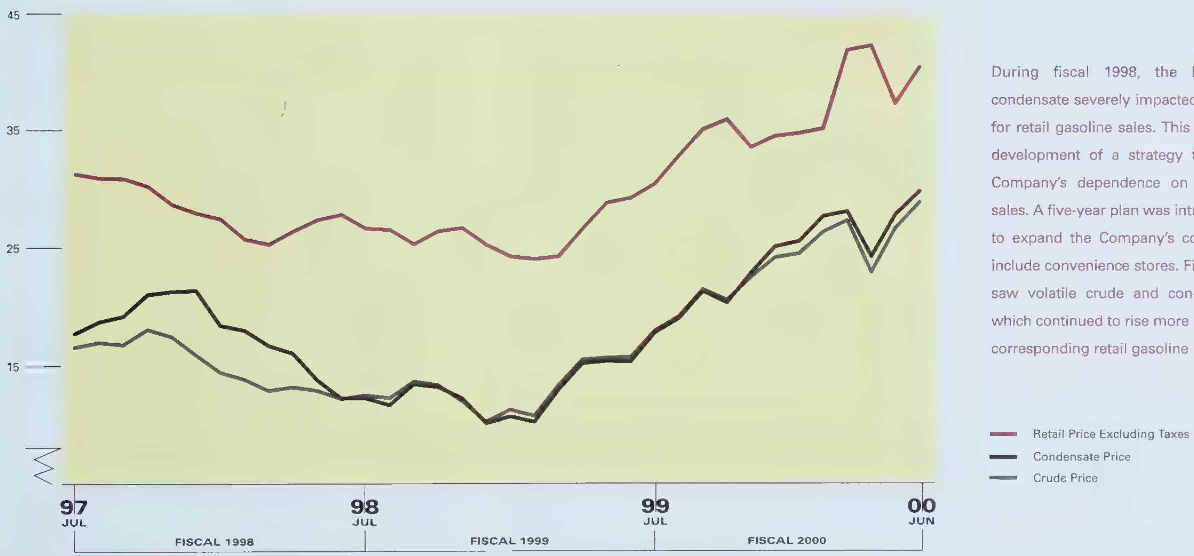
MARGINS

Fiscal 2000 continued to see wide volatility in gasoline margins due to fluctuating crude oil prices. Retail prices at the pump did not keep pace with the rising price of crude oil and condensate. Condensate prices also moved to a small premium over posted crude oil, further reducing margins from gasoline produced at the Company's Bowden refinery. As a result, the annual average gross margins for all refined products decreased by $0.019 per litre in 2000 leading to an aggregate gross margin decrease of $5.4 million.

Beginning in October 1999, the price of condensate moved to a premium over posted crude oil averaging 1.0 cents per litre. The condensate cost differential caused the Company to absorb $1.6 million of additional raw material costs for the 2000 fiscal year compared to the costs that would have been incurred had it been priced at par with crude oil. In fiscal 1999 condensate prices were slightly below crude oil prices giving the Company a cost advantage of approximately $800,000. In fiscal 1998 condensate prices rose sharply above crude oil costing the Company about $7.2 million.

GROSS RETAIL GASOLINE MARGINS

(CENTS PER LITRE)



Crude oil price is based on the monthly average posting of marker crude at Edmonton, Alberta. Retail price is based on Bloomberg's Regional Weekly Price Listing for the prairie provinces.

During fiscal 1998, the high price of condensate severely impacted profit margins for retail gasoline sales. This situation led to development of a strategy to mitigate the Company's dependence on retail gasoline sales. A five-year plan was introduced in 1999 to expand the Company's core business to include convenience stores. Fiscal 2000 again saw volatile crude and condensate prices, which continued to rise more rapidly than the corresponding retail gasoline price.

Three-Year Quarterly Earnings Analysis

($ thousands)		Operations	Unusual Items	Total
2000	First quarter	1,482	–	1,482
	Second quarter	849	–	849
	Third quarter	(1,262)	–	(1,262)
	Fourth quarter	800	459	1,259
	Total	1,869	459	2,328
1999	First quarter	2,726	–	2,726
	Second quarter	2,160	–	2,160
	Third quarter	2,144	–	2,144
	Fourth quarter	2,322	–	2,322
	Total	9,352	–	9,352
1998	First quarter	2,013	218	2,231
	Second quarter	(340)	–	(340)
	Third quarter	171	–	171
	Fourth quarter	1,437	–	1,437
	Total	3,281	218	3,499

Key Financial Ratios

	2000	1999	1998
Current ratio	0.84	0.81	0.83
Debt to equity ratio	0.15	0.08	0.21
Interest coverage – earnings from operations	6.19	24.81	6.80
Interest coverage – cash flow	19.90	36.12	13.53
Asset coverage	8.47	15.16	6.76

Summary of Changes in Cash Position

($ thousands)	2000	1999	1998
Cash flow from operations	8,887	15,997	9,772
Change in non-cash working capital	2,552	4,670	2,052
Financing activities and dividends	4,839	(6,723)	(8,927)
Investing activities	(13,163)	(11,070)	(372)
Increase in cash	3,115	2,874	2,525

Liquidity and Capital Resources

The Company's 2000 capital program was funded with cash flow, the proceeds from the sale of Crestar shares and a modest increase in bank debt. Of the $12.8 million capital program in 2000, $1.4 million was expended for transportation equipment, $1.1 million for refining equipment, $7.6 million for service stations and equipment and $2.7 million for Short Stop stores development.

Parkland maintained a very conservative debt level during fiscal 2000. At year end the Company had $9.1 million in long-term debt which equated to a ratio of 1.0 times trailing cash flow. With the continued expansion of the Short Stop chain, the Company will increase its borrowings; however, it is Parkland's policy to maintain a conservative level of debt.

Business Risks and Prospects

Retail pricing

Retail pricing for motor fuels is subject to intense competition. Within Parkland's marketing areas there is no foreseeable shortage of saleable motor fuels and these products are available from a wide variety of sources. This can result in low retail gross margins in some locations from time to time. However, retail pricing is generally stronger and more stable in non-urban areas and the Company is continuing its strategy of expanding its business in these markets.

Feedstock

Parkland processes condensate, a byproduct of natural gas production, at its Bowden refinery. Refining efficiency depends on the quality of its feedstock. Although 90 percent of the refinery's feedstock is obtained from a single pipeline stream, the Company is continually searching for high quality condensate, which is often delivered to the refinery using Company trucks as they return from fuel deliveries.

The price of condensate is subject to variations depending on market conditions. Condensate is used as a dilutant for heavy crude oil to reduce viscosity which allows the oil to flow more easily through a pipeline. In periods where heavy oil production is high, competition for condensate increases and drives up the price of this product in relation to the posted crude oil price.

Operations

The potential for significant mechanical failure causing production interruptions at the Company's refinery represents an operating risk. Parkland currently purchases approximately 70 percent of its requirements from other refiners and could expand these arrangements. The Company employs an extensive preventive maintenance program and enjoys the benefits of an experienced, well-trained operating staff.

Environmental

The operations of service stations, refinery facilities and petroleum transport trucks carry an element of environmental risk. To prevent environmental incidents from occurring, the Company has extensive environmental procedures and monitoring programs in place at all of its facilities. During the past year, a full-time transportation safety and corporate environmental officer was engaged by the Company. To mitigate the impact of a major accident, Parkland has emergency response programs in place and provides its employees extensive training in operational responsibilities. In recent years the federal government has altered specifications for transportation fuels resulting in significant process and cost changes. The trend will continue as regulators respond to emerging health and environmental issues as well as political pressures. The Company continually evaluates the existing and emerging regulations and believes it has the resources to economically meet all anticipated changes.

A significant issue currently facing the refining industry is the proposed reduction of sulphur content in gasoline. Parkland's existing sulphur content in its Bowden-manufactured gasoline is effectively zero as its feedstock is low in sulphur content and all gasoline components are hydrotreated to remove sulphur during the refining process. As a result, Parkland will not incur any costs for changes to equipment or processes to reduce sulphur.

Y2K Discussion

During fiscal 1999, the Company addressed a universal situation commonly referred to as the "Year 2000 Problem". The Company implemented extensive testing of its own systems and also assessed the Year 2000 compliance status of certain third parties, including vendors and infrastructure providers. To date, the Company has not experienced any material Year 2000 system problems, nor does it believe there will be any future material adverse impact on the Company's business, operations or financial condition related to the Year 2000 Problem.

Auditors' Report

To the Shareholders of Parkland Industries Ltd.

We have audited the consolidated balance sheets of Parkland Industries Ltd. as at June 30, 2000 and 1999 and the consolidated statements of earnings and retained earnings, and changes in cash position for each of the years in the three-year period ended June 30, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2000 and 1999 and the results of its operations and the changes in its financial position for each of the years in the three-year period ended June 30, 2000 in accordance with generally accepted accounting principles.

Chartered Accountants
Red Deer, Alberta
September 5, 2000

Management's Responsibility for Financial Statements

The accompanying financial statements of Parkland Industries Ltd. have been prepared by management in accordance with generally accepted accounting principles. Parkland's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. In recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been prepared accordingly and within reasonable limits of materiality. Further, management is satisfied that the financial information throughout the balance of this annual report is consistent with the information presented in the financial statements.

Heywood, Holmes & Partners have been appointed by the shareholders of Parkland to serve as the Company's external auditors. They have examined the financial statements of the Company for the years ended June 30, 2000, 1999 and 1998.

The Audit Committee has reviewed these statements with management and the auditors, and has reported to the Board of Directors. The Board has approved the information contained in the financial statements of Parkland which are included in this annual report.

John G. Schroeder
Vice President, Finance

Kelly G. Collier
Controller
Red Deer, Alberta
September 5, 2000

CONSOLIDATED BALANCE SHEET

JUNE 30 ($ THOUSANDS)	2000	1999 [1]
ASSETS		
CURRENT ASSETS		
CASH	$ 1,940	$ –
ACCOUNTS RECEIVABLE	18,499	15,163
FUTURE INCOME TAXES	914	–
INVENTORIES	9,751	8,234
PREPAID EXPENSES	2,150	1,788
	33,254	25,185
INVESTMENT IN LISTED SECURITIES (NOTE 2)	4,758	6,291
OTHER	2,134	1,335
FIXED ASSETS (NOTE 3)	71,002	66,558
GOODWILL (NOTE 4)	5,248	3,948
DEFERRED FINANCE CHARGES	11	15
	$ 116,407	$ 103,332
LIABILITIES		
CURRENT LIABILITIES		
BANK INDEBTEDNESS (NOTE 5)	$ –	$ 1,175
ACCOUNTS PAYABLE	36,367	25,273
INCOME TAXES PAYABLE	154	3,409
LONG-TERM DEBT, CURRENT PORTION (NOTE 6)	2,963	1,068
	39,484	30,925
LONG-TERM DEBT (NOTE 6)	9,082	4,776
SITE RESTORATION ACCRUAL	181	281
FUTURE INCOME TAXES	7,311	7,967
TOTAL LIABILITIES	56,058	43,949
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (NOTE 7)	16,528	16,936
RETAINED EARNINGS	43,821	42,447
	60,349	59,383
	$ 116,407	$ 103,332

(1) RESTATED (NOTE 14)

ON BEHALF OF THE BOARD:

DIRECTOR

DIRECTOR

Consolidated Statement of Earnings and Retained Earnings

Year ended June 30 ($ thousands)	2000	1999[1]	1998[1]
Net sales and operating revenues	$ 378,184	$ 264,156	$ 255,374
Cost of sales and operating expenses	329,278	209,870	210,310
Gross margin	48,906	54,286	45,064
Expenses			
Marketing, general and administrative	37,136	31,533	31,977
Amortization of fixed assets	8,017	7,122	6,635
Interest on long-term debt	605	630	948
	45,758	39,285	39,560
Earnings before unusual items	3,148	15,001	5,504
Gain on sale of listed securities	288	–	289
Earnings before income taxes	3,436	15,001	5,793
Income taxes (Note 8)			
Current	2,937	6,126	2,620
Future	(1,829)	(477)	(325)
	1,108	5,649	2,295
Net earnings	2,328	9,352	3,498
Retained earnings, beginning of year	42,447	33,776	30,821
Dividends paid	(954)	(681)	(543)
Retained earnings, end of year	$ 43,821	$ 42,447	$ 33,776

Per share information: note 1

[1] Restated (Note 14)

Consolidated Statement of Changes in Cash Position

Year ended June 30 ($ thousands)	2000	1999[1]	1998[1]
Cash Provided by (used for) Operations			
Net earnings	$ 2,328	$ 9,352	$ 3,498
Add (deduct) non-cash items:			
Amortization of fixed assets	8,017	7,122	6,635
Future taxes	(1,170)	(477)	(72)
Gain on sale of listed securities	(288)	–	(289)
	8,887	15,997	9,772
Net changes in non-cash working capital	2,552	4,670	2,052
Cash from operating activities	11,439	20,667	11,824
Financing			
Proceeds of share issue	326	23	92
Repurchase of shares	(734)	(104)	(30)
Reduction of term debt	–	–	(246)
Proceeds from long-term debt	7,823	1,071	666
Long-term debt repayments	(1,622)	(7,032)	(8,866)
Dividend payments	(954)	(681)	(543)
Cash from (used for) financing activities	4,839	(6,723)	(8,927)
Investment			
Reduction in goodwill (Note 4)	–	–	246
Proceeds on sale of goodwill	–	84	475
Purchase of goodwill	(1,823)	(882)	(233)
Site restoration accrual	(100)	(216)	216
Purchase of fixed assets	(12,766)	(11,898)	(8,085)
Income tax recovery acquired on acquisition of subsidiary	(400)		–
Proceeds on sale of fixed assets	903	2,128	5,825
Investment in other assets	(799)	(286)	51
Proceeds on sale of listed securities	2,482	–	1,385
Flow through of income tax recovery on sale of listed securities	(660)	–	(252)
Cash (used for) investment activities	(13,163)	(11,070)	(372)
Increase in cash	3,115	2,874	2,525
Bank indebtedness, beginning of year	(1,175)	(4,049)	(6,574)
Cash (bank indebtedness), end of year	$ 1,940	$ (1,175)	$ (4,049)

[1] Restated (Note 14)

Notes to Consolidated Financial Statements

June 30, 2000 (dollar amounts presented in tables are in thousands, except per share information)

Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of all wholly owned subsidiaries. All significant inter-company accounts and transactions are eliminated. The excess of the consideration paid for the shares of subsidiaries over the underlying net book values at the dates of acquisition is attributed to the related assets acquired and is amortized over the life of these assets.

Measurement Uncertainty

The preparation of the financial statements necessarily involves the use of estimates and approximations. Should the underlying assumptions change, the actual amounts could differ from those estimated.

Indirect Method

The Company follows the indirect method in reporting its cash flows from operating activities.

Inventories

The Company values its inventories at the lower of cost and market value.

The Company uses the last-in, first-out (LIFO) method of determining the cost of product inventory.

Amortization

Amortization is provided for on a straight line basis over the estimated useful lives of assets at the following annual rates:

Land improvements	4%
Buildings	5%
Refining equipment	5%
Equipment	10%
Automotive equipment	15%
Goodwill	10%

Investments

Parkland's investments in companies in which it does not have significant influence are accounted for under the cost method.

Income Taxes

The Company follows the future method to account for income taxes. Under this method, the Company recognizes a future income tax liability whenever recovery or settlement of the carrying amount of an asset or liability would result in future income tax outflow. Similarly the Company recognizes a future income tax asset whenever recovery or settlement of the carrying amount of an asset or liability would generate future income tax reductions.

Long-Term Debt

Capital lease obligations which relate to transactions which are similar in nature to a purchase are capitalized and included in long-term debt.

Site Restoration

Site restoration costs are based on engineering estimates taking into account alternative procedures consistent with legal requirements, industry practices and available technology.

Estimated site restoration costs of acquired sites are recorded at date of acquisition and actual costs are charged to the accumulated provision as incurred. Site restoration costs of existing sites are charged to operations in the year incurred.

Deferred Finance Charges

Deferred finance charges are amortized on a straight line basis over ten years and recorded at cost less accumulated amortization.

Earnings Per Share

Basic earnings per share is calculated on the weighted average number of common shares outstanding for the year which amounted to 5,438,863 (1999 - 5,449,690, 1998 - 5,439,635).

Fully diluted earnings per share reflect the dilutive effect had the exercise of employee stock options occurred at the later of the beginning of year or the date the options were granted.

Segmented Information

The Company operations are predominantly in the petroleum refining and marketing industry. The Company derives its revenues from marketing its products in Western Canada.

1. Earnings Analysis and Earnings Per Share

2000		Operations	Unusual Items	Total
Earnings before tax		$ 3,148	$ 288	$ 3,436
Income taxes (recovery)				
Current		2,448	489	2,937
Future		(1,169)	(660)	(1,829)
Total income taxes		1,279	(171)	1,108
Net earnings		$ 1,869	$ 459	$ 2,328
Earnings per share	– basic	0.35	0.08	0.43
	– fully diluted	0.34	0.08	0.42

1999		Operations	Unusual Items	Total
Earnings before tax		$ 15,001	$ –	$ 15,001
Income taxes (recovery)				
Current		6,126	–	6,126
Future		(477)	–	(477)
Total income taxes		5,649	–	5,649
Net earnings		$ 9,352	$ –	$ 9,352
Earnings per share	– basic	1.72	–	1.72
	– fully diluted	1.62	–	1.62

1998		Operations	Unusual Items	Total
Earnings before tax		$ 5,504	$ 289	$ 5,793
Income taxes (recovery)				
Current		2,297	323	2,620
Deferred		(73)	(252)	(325)
Total income taxes		2,224	71	2,295
Net earnings		$ 3,280	$ 218	$ 3,498
Earnings per share	– basic	0.60	0.04	0.64
	– fully diluted	0.59	0.04	0.63

2. Investment in Listed Securities

	2000	1999
Crestar Energy Inc. common shares	$ 4,758	$ 6,291

3. Fixed Assets

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 12,777	$ –	$ 12,777	$ 12,047
Land improvements	3,762	1,428	2,334	2,047
Buildings	14,539	6,481	8,058	7,601
Refining equipment	48,895	24,636	24,259	25,548
Equipment	43,912	20,338	23,574	19,315
	$ 123,885	$ 52,883	$ 71,002	$ 66,558

4. Goodwill

Under an agreement dated April 7, 1997, the Company acquired various fuel marketing assets and operations. A portion of the consideration, not to exceed $5,500,000, is contingent on the average level of gross margins exceeding a defined amount in specific market territories for the five years ending April 7, 2002. A number of the acquired outlets were sold January 30, 1998. Part of the consideration was the sale of $475,000 of goodwill plus an amount not to exceed $2,540,000, contingent upon gross margins exceeding a defined level in specific market territories for the five years ending January 31, 2003.

5. Bank Indebtedness

Bank indebtedness is due on demand and bears interest at the bank's prime rate plus 1/4 of 1% per annum. The indebtedness is secured by a general security agreement, accounts receivable, inventories, and demand debentures creating a first or second fixed charge over specific fixed assets and a floating charge upon all other assets.

6. Long-Term Debt

	2000	1999
Bank loans secured by an assignment of accounts receivable, inventories and demand debentures creating a first or second fixed charge over specific fixed assets and floating charge upon all other assets. The loans are repayable in monthly installments of $100,000 plus interest at prime plus 0.50%. Non-permanent repayment of the loans may be accelerated by the company, resulting in temporary reduction of the monthly installments.	$ 5,400	$ –
Mortgages payable in monthly installments totalling $53,582 including interest. Interest rates vary from 6.0% to 8.5% and prime plus 0.80% per annum. The mortgages are secured by real properties with a net book value of $4,832,000 and mature at various dates ending April 27, 2009.	3,069	3,133
Conditional sales contracts and equipment loans payable in monthly installments totalling $52,566 including interest varying from 5.01% to 14.34% per annum. The contracts are secured by automotive and computer equipment with a net book value of $3,002,973 and mature at various dates ending February 1, 2005.	2,791	1,717
Unsecured notes repayable in monthly installments totalling $27,284. The notes are discounted at 6% per annum.	785	994
	12,045	5,844
Less current portion	2,963	1,068
	$ 9,082	$ 4,776

Estimated principal repayments for the next five years are:

2001	$ 2,963
2002	2,771
2003	2,394
2004	1,900
2005	507

For 1998, 1999 and 2000, the Company did not incur net interest expense on working capital borrowings, as average monthly cash balances exceeded average borrowings.

The Company has outstanding letters of credit totalling $9,842,875 (1999 - $8,165,000) which mature at various dates between August 1, 2000 and June 29, 2001.

7. Capital Stock

Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of preferred, non-convertible, non-voting shares without nominal or par value.

The designation, rights restrictions, conditions and limitations are to be determined by the Directors of the Company.

Issued - Common Shares

	2000		1999	
	Shares	**Amount**	Shares	Amount
Balance, beginning of year	**5,441,588**	**$ 16,936**	5,448,088	$ 17,017
Repurchased pursuant to normal course issuer bid	**(57,900)**	**(734)**	(10,500)	(104)
Issued pursuant to exercise of employee stock options	**52,000**	**326**	4,000	23
Balance, end of year	**5,435,688**	**$ 16,528**	5,441,588	$ 16,936

As of June 30, 2000, 498,000 common shares of the Company were reserved for issue on exercise of employee stock options at prices from $7.00 to $13.25 for terms of ten years ending between November 18, 2003 to January 31, 2010.

8. Income Taxes

Income tax expense varies from the amounts that would be computed by applying the Canadian Federal and Provincial income tax rates to earnings before provision for income taxes as shown in the following table:

	2000		1999		1998	
	Amount	**%**	Amount	%	Amount	%
Provision for income taxes at statutory rates	**$ 1,533**	**44.62**	$ 6,693	44.62	$ 2,585	44.62
Add (deduct) the tax effect of:						
Processing rate adjustment	**(330)**	**(9.60)**	(1,241)	(8.28)	(446)	(7.70)
Large Corporations Tax/ Capital Taxes	**118**	**3.44**	18	0.12	54	0.93
Non-taxable portion of gain on sale of listed securities	**(315)**	**(9.17)**	–	–	(108)	(1.86)
Non-allowable amortization	**138**	**4.01**	112	0.74	148	2.55
Non-deductible expenses	**27**	**0.77**	48	0.31	1	0.03
Other	**(63)**	**(1.84)**	19	0.15	61	1.04
	$ 1,108	**32.23**	$ 5,649	37.66	$ 2,295	39.61

9. Operating Leases

The Company is committed to total minimum rentals in the amount of $4,644,373 under operating leases for land, buildings and equipment. Minimum lease payments for each of the five succeeding years are as follows:

2001	$	1,397
2002		1,018
2003		732
2004		481
2005		265

10. Payments to Governments

	2000	1999	1998
Provincial fuel taxes	**$ 73,436**	$ 64,386	$ 59,421
Federal excise tax	**70,116**	60,746	55,811
Income tax, large corporations tax, capital tax	**2,855**	6,145	2,622
Property and other taxes	**901**	841	902
Payroll tax	**564**	397	384
Goods and services tax, net of			
Goods and services tax on purchases	**10,806**	10,302	9,450
	$ 158,678	$ 142,817	$ 128,590

11. Financial Instruments

The fair values of accounts receivable, bank indebtedness, accounts payable and income taxes payable are equal to their carrying values due to their short-term maturities. The fair values of long-term bank loans equal their carrying values as their interest rates fluctuate with the prime lending rate. The Company may elect to utilize interest rate swaps and make non-permanent repayment of the loans. The carrying values and fair values of investments in listed securities, conditional sales contracts, mortgages payable, agreements for sale and unsecured notes payable are as follows:

	2000		1999	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Investment in listed securities	**$ 4,758**	**$ 6,399**	$ 6,291	$ 6,153
Mortgages payable	**3,069**	**3,056**	3,133	3,182
Conditional sales contracts	**2,791**	**2,721**	1,717	1,725
Notes payable	**785**	**759**	994	980

Fair value of listed securities is based upon quoted market prices as at June 30, 2000. Fair values of long-term debt are estimated using discounted cash flow analysis based upon incremental borrowing rates for similar borrowing arrangements. The Company does not have a significant exposure to any individual customer. The Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

12. Tentative Refinery Disposition

On December 16, 1998, the Company received and accepted an offer to purchase its refinery from the Blood Tribe / Kainaiwa Specific Claim Trust No. 1 of Standoff, Alberta. The offer is subject to a number of conditions, the satisfaction of which cannot reasonably be determined. Under the terms of the offer, approval of the creation of a Reserve must be granted by Indian and Northern Affairs Canada. Should the conditions be satisfied, the Company would receive proceeds of $50,000,000 for its refinery, tank farm and related process equipment and support systems. The gain on sale would be approximately $14,900,000 subject to capital additions, disposals and amortization occurring in the intervening period. The Company would manage the operations of the refinery under a performance based management agreement with the Blood Tribe / Kainaiwa Specific Claim Trust No. 1 and would market all product produced by the refinery.

13. Acquisitions

Effective November 22, 1999, the Company acquired all of the issued and outstanding shares of Binks Petroleum Inc. (a retail and wholesale distributor of transportation fuels). The acquisition has been accounted for by the purchase method with the results of operations included in the financial statements from the date of acquisition.

Assets Acquired:		
Working capital	$	700
Fixed assets		458
Future tax		400
		1,558
Liabilities Assumed: Debt		(436)
		1,122
Goodwill		647
Total	$	1,769
Consideration: Settlement of outstanding debt	$	1,769

Effective June 14, 2000, the Company purchased the assets of Petrowest Corporation (a retail and wholesale distributor of transportation fuels) consisting of retail marketing equipment and customer lists. $1,039,300 of the total purchase price of $2,293,872 has been allocated to goodwill.

14. Change in Accounting Policy

Pursuant to the introduction of Section 3465 of the Canadian Institute of Chartered Accountants Handbook, the Company has retroactively changed its method of accounting for income taxes from the deferral method to the future method. The effect of this change is as follows:

	2000	1999	1998
Retained earnings, beginning of year			
as previously reported	$ 42,570	$ 33,873	$ 30,882
Change in accounting policy	(123)	(97)	(41)
As restated	$ 42,447	$ 33,776	$ 30,821
Increase (decrease) in net earnings	$ 288	$ (28)	$ (55)

Ten-Year Review

Years ended June 30 ($ thousands, except per share information)	2000	1999	1998	1997	1996
Net sales and operating revenues	$ 378,184	$ 264,156	$ 255,374	$ 233,280	$ 188,036
Cost of operations, amortization and interest	337,900	217,622	217,893	205,220	161,769
Marketing, general and administrative expenses	37,136	31,533	31,977	28,689	23,104
Earnings (loss) before income taxes from continuing operations	3,148	15,001	5,504	(629)	3,163
Income taxes	1,108	5,649[1]	2,295[1]	1,309	3,182
Equity in earnings of investments	–	–	–	–	72
Unusual items and discontinued operations	288	–	289	2,718	4,009
Net earnings	2,328	9,352[1]	3,498[1]	780	4,062
Total assets	116,407	103,332[1]	95,561	104,252	101,399
Working capital (deficit)	(6,230)	(5,740)	(4,228)	(8,986)	(5,377)
Long-term debt (less current portion)	9,082	4,776	10,453	14,555	17,168
Future income taxes	7,311	7,967[1]	8,821	9,012	8,896
Shareholders' equity	60,349	59,383[1]	50,890	47,817	48,397
Common shares outstanding used in per share calculations	5,438,863	5,449,690	5,439,635	5,473,725	5,530,420
Per Share Information					
Net sales and operating revenues	$ 69.53	$ 48.47	$ 46.95	$ 42.62	$ 34.00
Earnings (loss) from operations and investments	0.38	1.72	0.64[1]	(0.09)	0.30
Net earnings	0.43	1.72	0.64[1]	0.14	0.73
Cash provided by operations and investments	1.63	2.94	1.79	0.78	0.89
Total assets	21.40	18.96[1]	17.57	19.05	18.34
Shareholders' equity	11.10	10.90[1]	9.36	8.74	8.75
Net capital expenditures	2.52	1.94	0.33	2.46	1.49
Statistical Analysis					
Return on shareholders' equity (before extraordinary and unusual items and discontinued operations)	3.9%	17.0%	7.1%[1]	(1.0%)	3.6%
Return on total investment (before extraordinary and unusual items and discontinued operations)	3.5%	13.4%	5.4%[1]	0.5%	3.5%
Price range of shares – calendar year					
High	$ 13.50	$ 13.95	$ 8.40	$ 8.00	$ 8.20
Low	$ 8.50	$ 8.25	$ 6.50	$ 6.25	$ 7.35

(1) Restated (note 14)

1995	1994	1993	1992	1991
$ 153,270	$ 126,238	$ 117,668	$ 106,064	$ 132,470
124,545	103,690	99,684	90,543	113,101
22,433	17,544	17,185	17,012	17,697
6,292	5,004	799	(1,491)	1,672
2,510	2,128	468	(558)	819
161	254	752	389	194
(274)	51	1,986	(339)	417
3,669	3,181	3,069	(883)	1,464
96,519	92,848	90,799	103,066	107,513
3,419	695	(2,052)	(7,329)	(4,628)
23,033	26,674	29,292	33,527	37,639
9,805	7,873	5,835	9,157	10,100
44,776	41,942	38,744	35,951	37,386
5,530,430	5,523,763	5,523,588	5,523,588	5,523,588
$ 27.71	$ 22.85	$ 21.30	$ 19.20	$ 23.98
0.71	0.59	0.22	(0.10)	0.19
0.66	0.58	0.56	(0.16)	0.27
2.00	1.83	0.98	0.57	1.10
17.45	16.81	16.44	18.66	19.46
8.10	7.59	7.01	6.51	6.77
1.02	0.76	0.34	0.57	1.32
9.1%	8.0%	3.2%	(1.5%)	2.8%
6.8%	6.1%	4.6%	2.0%	5.4%
$ 8.25	$ 9.38	$ 8.25	$ 6.50	$ 6.50
$ 6.70	$ 7.13	$ 4.00	$ 4.80	$ 4.60

Board of Directors

Robert G. Brawn

Chairman, Danoil Energy Ltd.
Calgary, Alberta

Mr. Brawn has served on the Board of Directors since November 1996. He is a Member of the Audit and Human Resources & Compensation Committees.

Terry D. Lawrence

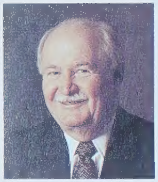
President, Sheer Energy Inc.
Calgary, Alberta

Mr. Lawrence is the Lead Director, and has served on the Board of Directors since July 1983. He is Chairmen of the Human Resources & Compensation Committee and a member of the Audit Committee.

Alain Ferland

President and Chief Operating Officer
IPL Inc., Montreal, Quebec

Mr. Ferland has served on the Board of Directors since June 1999. He is a Member of the Audit and Human Resources & Compensation Committees.



Thomas H. Chapman

Counsel with Chapman Riebeek
Red Deer, Alberta

Mr. Chapman is the Secretary of the Corporation, and has served on the Board of Directors since January 1977. He is Chairman of the Nominating & Corporate Governance Committee and a member of the Human Resources & Compensation Committee.

S. Donald Moore

President and Manager, Phoenix Canada Oil Company Limited, Toronto, Ontario

Mr. Moore has served on the Board of Directors since April 1961. He is a Member of the Nominating & Corporate Governance Committee.

Joan M. Donald

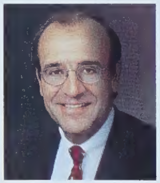
Assistant Corporate Secretary
Parkland Industries Ltd., Red Deer, Alberta

Mrs. Donald has served on the Board of Directors since January 1977. She is a Member of the Nominating & Corporate Governance Committee.

Jack C. Donald

President and Chief Executive Officer
Parkland Industries Ltd., Red Deer, Alberta

Mr. Donald is Chairman of the Board of Directors and an ex-officio member of all Committees. He has served on the Board of Directors since January 1977.



James Pantelidis

Chairman and Chief Executive Officer
Bata Limited, Toronto, Ontario

Mr. Pantelidis has served on the Board of Directors since September 1999. He is a Member of the Nominating & Corporate Governance Committee.

Alfio L. Truant

President, Red Deer Bottling Co. Ltd.
Red Deer, Alberta

Mr. Truant has served on the Board of Directors since February 1981. He is Chairman of the Audit Committee and a Member of the Nominating & Corporate Governance Committee.

Corporate Information

Head Office

Suite 236, Riverside Office Plaza
4919 - 59th Street
Red Deer, Alberta T4N 6C9
Tel (403) 357-6400
Fax (403) 346-3015
email: corpinfo@parklandindustries.com

Annual General Meeting

Wednesday, November 1, 2000
4:00 p.m. at the Black Knight Inn
2929 - 50th Avenue
Red Deer, Alberta

Bankers

Canadian Imperial Bank of Commerce

10th Floor, Bankers Hall
855 – 2nd Street SW
Calgary, Alberta T2P 2P2

4902 – 50th Street
Red Deer, Alberta T4N 1X7

Auditors

Heywood Holmes & Partners
Chartered Accountants
500, 4911 – 51st Street
Red Deer, Alberta T4N 6V4

Legal Counsel

Chapman Riebeek
208, 4808 – 50th Street
Red Deer, Alberta T4N 1X5

Stock Exchange Listing

Toronto Stock Exchange
Trading symbol: PKI

Registrar and Transfer Agent

Computershare Investor Services

100 University Avenue
Toronto, Ontario M5J 2Y1

530 – 8th Avenue SW
Calgary, Alberta T2P 3S8

Directors

Robert G. Brawn
Thomas H. Chapman
Jack C. Donald
Joan M. Donald
Alain Ferland
Terry D. Lawrence
S. Donald Moore
James Pantelidis
Alfio L. Truant

Officers

Jack C. Donald
President and Chief Executive Officer

Thomas H. Chapman
Corporate Secretary

Joan M. Donald
Assistant Corporate Secretary

John G. Schroeder
Vice President, Finance

Kelly G. Collier
Controller, Retail

S. Michael Meeres
Treasurer

Randy Nicholls
Controller, Wholesale

Wholly-Owned Subsidiaries

Fas Gas Oil Ltd.
Retail Service Station Operations
D. Jim Jones
Vice President, Marketing

Race Trac Fuels Ltd.
Wholesale Gasoline and Diesel Fuel Marketing
Bradley Williams
General Manager

Short Stop Food Stores Inc.
Convenience Stores
Tim Rhodes
General Manager

Parkland Refining Ltd.
Petroleum Refining
Robert Leflar
General Manager, Refining and Supply

Petrohaul Ltd.
Petroleum Transportation
Don Heisler
General Manager

Great Northern Oil Inc.
Gasoline and Diesel Fuel Marketing
D. Jim Jones
Vice President, Marketing

Fas Gas Realty Ltd.
Real Estate Holdings and Development
D. Jim Jones
Vice President, Marketing

Greenleaf Capital Inc.
Dealer Financing
John G. Schroeder
Vice President, Finance

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Parkland Industries Ltd.

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